

EXHIBIT C - Part 1

**CENTERS FOR MEDICARE & MEDICAID SERVICES
REGION VIII
STANDARD OPERATING PROCEDURE A75.15**



Subject Area: Records Management

Topic: CMS Record Retention Policy

Responsible Area: All Staff

Version and Date: Version 1, January 1, 2004

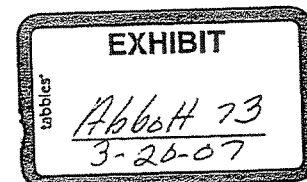
Purpose: This schedule provides records descriptions and mandatory disposition instructions for the retention, transfer, retirement or destruction of Agency records as approved by the National Archives and Records Administration. If your office maintains any administrative or program-related files, which do not appear in these schedules, contact the Agency's Records Officer on (410) 786-7883, to insure they are added.

HIPAA Policy: CMS will protect the privacy of individuals to the fullest extent possible. CMS will collect, maintain, use and disclose personally identifiable information as required or permitted by the Privacy Act (PA), Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, and Freedom of Information Act (FOIA). See SOP chapter 21 for further information on the HIPAA Privacy Policy.

Reference Sources: The point-of contact for additional information regarding the SOP. However, it is preferable to address questions to the staff member referred to above (Responsible Area) whenever clarification is needed. Also indicate any reference materials in this area.

Procedure: As follows:

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I. ADMINISTRATIVE/MANAGEMENT RECORDS

A. Agreement Files (NC1-440-79-2, Item 1)

Documents relating to agreements between elements of CMS, between CMS and other DHHS components or other Federal agencies and between CMS and other nonfederal organizations or agencies. These agreements are negotiated to provide for continued understanding between recognized organizations and CMS for the purpose of providing or obtaining various types of support services. The services include logistic, medical, fire protection, administrative, facilities, and similar support on a one-time or continuing basis; and on a reimbursable or nonreimbursable basis. Included are agreements, amendments, review comments, and related correspondence.

DISPOSITION: Destroy after a total retention of 5 years after supersession, cancellation, or termination of the agreement. However, if after the supersession, cancellation or termination of the Agreement, an amount of money remains owed to or by CMS under the Agreement, then destroy after a total retention of 5 years after the amount due is paid, collected, suspended, terminated, compromised, referred for collection or other appropriate action under the Federal Claims Collection Act or other relevant statute, or is otherwise resolved.

B. Committee Files (NC1-440-79-2, Item 2)

Documents relating to establishing, operating, and dissolving committees/task forces which consider, advise, take action, and report on specifically assigned functions of CMS. Included are proposals, approvals, and disapprovals to establish the committee; charters, notices, agendas, minutes, and reports of committee meetings; and related documents.

DISPOSITION:

(1) Agenda, minutes, reports - PERMANENT. Cutoff file when no longer needed for current operations and transfer to the Federal Records Center (FRC). Transfer to the National Archives when 15 years old.

(2) Other records - Cutoff file when no longer needed for current operations and transfer to FRC. Destroy after a total retention of 15 years.

1. Committees Relating to Substantive Programs or Organizational Functions of CMS

(a) Office of the Committee Chairman or Secretariat, whichever is designated the office of record.

(b) Records of other committee members.

DISPOSITION: Destroy when no longer needed for current operations.

2. Other Committees

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(a) Office of the Committee Chairman or Secretariat, whichever is the office of record. Cutoff file when no longer needed for current operations and transfer to the FRC.

DISPOSITION: Destroy after a total retention of 15 years.

(b) Offices of other committee members.

DISPOSITION: Destroy when no longer needed for current operations.

C. Staff Visit Files (NC1-440-79-2, Item 3)

Documents relating to scheduled or special visits (but exclusive of inspections, surveys, or audits) for the purpose of performing staff or technical supervision or conducting studies. Included are requests for permission to visit, reports of visits, recommendations and other directly related documents.

DISPOSITION:

Office Performing Visit - Destroy after a total retention of 1 year after the completion of the next comparable visit or on completion of a related study.

Office Visited - Destroy after a total retention of 2 years, except for files relating to recurring staff visits which will be destroyed on completion of the next visit.

D. Organization Planning Files (NC1-440-79-2, Item 4)

Documents relating to the establishment of and changes in organization functions and relationships of CMS components (Bureaus, Divisions, Branches, Sections, etc.). Included are staff studies, copies of organization and functions plans, functional statements, charts and related documents.

DISPOSITION:

PERMANENT. Cutoff annually except that plans, charts, and manuals or portions thereof will not be cutoff until superseded or rescinded. Transfer to the FRC, 2 years after cutoff or supersession or recession as applicable. Transfer to the National Archives when 10 years old.

E. Management Survey Case Files (NC1-440-79-2, Item 5)

Documents relating to the systematic formal review of organizational structure or operational procedures and accumulated in the office conducting the survey or the office sponsoring a contract for survey services. Individual studies and surveys may range in scope from a comprehensive review of organization and operative procedures to a study of one particular procedure, process, or method of a particular phase of management. Included are documents reflecting request or authorization to conduct the survey, the finished survey report, and actions taken as a direct result of the survey.

DISPOSITION:

Office conducting the survey or office sponsoring the contract - Cutoff on completion of action directed, hold 2 years and transfer to the FRC. Destroy after a total retention of 10 years.

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F. Forms Management Case Files (NC1-440-79-2, Item 6)

Documents accumulated in approving forms and resulting from the consideration, approval, control during existence and revision or recession of specific forms. Included are requests for approval of form, justifications, coordination papers and similar papers.

DISPOSITION:

1. Record Copy of CMS created form - PERMANENT. Transfer to the FRC 2 years after obsolescence. Transfer to the National Archives in 5 year blocks (15 years after obsolescence).

2. Case History File - Transfer to the FRC 3 years after obsolescence or when volume warrants. Destroy after a total retention of 15 years after obsolescence.

G. Instruction Files (NC1-440-79-2, Item 7)

Manuals, directives, handbooks, regulations, other formal policy and procedural issuances, booklets, and directories prepared and published by components in performance of their program or administrative staff responsibilities.

DISPOSITION:

Office responsible for preparation - PERMANENT. Transfer to the FRC at the close of the calendar year in which superseded or discontinued. Transfer to the National Archives 10 years after supersession or discontinuance.

Other Offices - Destroy when superseded or discontinued.

H. Instruction Background Files (NC1-440-79-2, Item 8)

Records accumulated in the preparation, clearance, and publication of manuals, directives, handbooks, regulations and other formal policy and procedural issuances. Included are studies, clearance comments, recommendations, and similar records which provide a basis for publication or contribute to the content of the issuance.

DISPOSITION:

Office responsible for preparation of the issuance - Transfer to the FRC 2 years after publication of issuance. Destroy after a total retention of 10 years after the publication.

Other Offices - Destroy after a total retention of 2 years after the close of the calendar year in which dated.

I. Policy and Precedent Files (NC1-440-79-2, Item 9)

Policy memorandums, interpretations, clarifications, and similar records which serve as precedent for future policy determinations. The files are used in the development of formal policy issuances, in responding to inquiries, and in commenting upon proposed legislation, regulations, standards, and similar documents.

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Office responsible for preparation - PERMANENT. Review files annually and transfer to the FRC those files which do not have continuing applicability. Transfer to the National Archives 20 years thereafter.

J. Delegation of Authority Files (NC1-440-79-2, Item 10)

Program and administrative delegation of continuing authority and revocation thereof. Included are approved program delegations having statutory basis in Titles II, XI, XVIII, and XIX of the Social Security Act. Also included are approved administrative delegations of authority, i.e., personnel, printing, procurement, travel, etc.

DISPOSITION:

Program Delegations - Place in inactive file upon revocation or supersession. Cutoff inactive file at the end of the calendar year, hold 2 years, and transfer to the FRC. Destroy after a total retention of 10 years.

Administrative Delegations - Destroy after a total retention of 3 years after supersession or revocation.

K. Task Forces

1. Internal Review Control Task Force-Subject Files (NC1-440-89-5)

Documented internal control reviews of various CMS Medicare/Medicaid programs as well as CMS administrative functions.

DISPOSITION: Cutoff files at the end of the fiscal year. Hold in office 2 years. Transfer to the FRC. Destroy after a total retention of 10 years.

2. Regulatory Reform Task Force (NC1-440-89-3)

The Regulatory Reform Task Force was established in 1981 to remove burdensome Federal requirements placed on the public. The records are dated from 1981 through 1982 and are public comments and in-house memoranda relating to the technical review of the Federal regulations.

DISPOSITION: Transfer immediately to a Federal Records Center. Destroy after a total retention of 10 years.

L. Training Publication Files (NC1-440-79-2, Item 12)

Official file copies of manuals, textbooks, training aids, and similar materials developed in the performance of training courses, seminars and other activities.

Included are documents related to the various CMS program matters and administrative issues.

DISPOSITION:

Program Issuances - Cutoff annually. Transfer to the FRC after 3 years. Destroy after a total retention of 10 years.

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Administrative Issuances - Destroy after a total retention of 5 years after supersession or obsolescence.

M. Administrative Office Files (BHI.g:40-2, Item 1C)

Files created by most CMS offices in the performance of their assigned functions.

1. Official file copies of outgoing correspondence relating to office functions.
2. Comments on draft reports, studies, and proposals prepared by other offices.
3. Contributions to and/or comments on legislation or public information materials.
4. Program and management reports, such as overtime and staffing reports, workload and production reports, highlights, and other reports prepared to submit data to management offices (exclusive of specific reports described elsewhere in this schedule).

DISPOSITION: Destroy after a total retention of 2 years at the close of the calendar year in which dated.

N. Rulemaking Record for Regulations (N1-440-95-1, Item 1)

The official Rulemaking record file consists of all public comments received in response to the proposed rule, any computer runs, external/internal studies, final actuarial determinations or other documents that were relied upon in developing the policies included in the rule.

DISPOSITION:

a) Hardcopy Records - PERMANENT. Cutoff file 6 months after publication of final notice or rule and transfer to the Federal Records Center. Transfer to the National Archives when 20 years old.

b) Microfiche - Destroy when no longer needed for Agency reference.

O. Internal and Preliminary Drafts and Comments Pertaining to Rulemaking (Rulemaking Support File) (N1-440-95-1, Item 2)

This file contains internal, predecisional documents and drafts, including interim drafts of the rules, internal comments received on the drafts, regulation logs, regulation specifications (if applicable), preliminary actuarial estimates, and internal recommendations. This file may also contain the proposed rule, any summary of comments, the final rule, the memorandum to the Secretary for the proposed rule, the proposed rule signed by the Secretary, the memorandum to the Secretary for the final rule, and the final rule signed by the Secretary.

DISPOSITION: Cutoff file 1 year after publication of final notice or rule and transfer to the Federal Records Center. Destroy 9 years after cutoff.

P. Posters (N1-440-92-1)

All formally published posters dealing with non-administrative topics, created by CMS.

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DISPOSITION: PERMANENT. Transfer 2 copies of each poster in a mailing tube to the National Archives when produced. Add the National Archives to the distribution list.

Q. Appointee Clearance and Vetting Files (Job No. N1-440-97-1)

Files consist of records resulting from liaison with the White House to evaluate the suitability of individuals for non-career positions. The files include correspondence, applications for employment, resumes, background information about individuals, financial disclosure forms, security clearances, notifications of personnel action, White House clearance checklists, and other documentation relating to the selection, clearance, and appointment of political appointees.

1. Appointees - Destroy at the end of the presidential administration during which the individual is hired, except for any original material appropriate for filing in OPFs, which should be placed in those files.

2. Non-appointees - Close file on termination of consideration. Destroy 1 year after file closed but not later than the end of the Presidential administration during which the individual is considered.

R. Y2K Project Files (N1-440-00-2)

Records created and received by CMS Central and Regional Office, and CMS contractors which document the activities for Y2K compliance.

1. Central/Regional Office Y2K records can include instructions, procedures, guidelines, requirements, waivers, reports and letters issued, letters, reports and deliverables received, hardware/software inventories, self-certification, and re-certification statements, project plans, testing plans, configuration management plans, risk mitigation/contingency plans, day one reports, metrics data, test cases, test scripts, submitter/provider testing data, contingency plan validation worksheets, workgroup charters, organizing and staffing data, agenda and information from conferences, outreach material, overtime, travel and supplies costs, and supplemental budget requests.

DISPOSITION:

(a) Paper Files: Transfer to the Federal Records Center once the Y2K certification process is completed. Destroy 7 years after the transfer.

2. Contractor records include self-certification, re-certifications, test schedules, test traceability matrix, configuration checklists, contingency plan, validation test plan and procedures, final day one plan and checklist.

DISPOSITION:

(a) Paper Files: Transfer to the Federal Record Center once the Y2K certification process is completed. Destroy 7 years after the transfer.

3. Videotapes of the Interoperability Meeting held in Los Angeles and Y2K contingency planning training for YCOTS in 1999.

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DISPOSITION: Destroy 7 years after the Y2K certification process is completed.

4. Electronic Mail and Word Processing System Copies

a. Copies that have no further administrative value after the recordkeeping copy is made. Includes copies maintained by individuals in personal files, personal electronic mail directories, or other personal directories on hard disk or network drives, and copies on shared network drives that are used only to produce the recordkeeping copy.

DISPOSITION: DELETE within 180 days after the recordkeeping copy has been produced.

b. Copies used for dissemination, revision, or updating that are maintained in addition to the recordkeeping copy.

DISPOSITION: Delete when dissemination, revision, or updating is completed.

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II. MEDICARE RECORDS—GENERAL

The files described in this schedule are created in the administration of the Hospital Insurance (Part A) and Supplementary Medical Insurance (Part B) Programs pursuant to Title XVIII of the Social Security Act, as amended. They are accumulated by intermediaries, carriers, State agencies, and the Centers for Medicare & Medicaid Services (CMS) headquarters and regional offices.

A. GENERAL PROGRAM ADMINISTRATION FILES1. Medicare Instructions Files (BHI.g:40-2, Item 1A)

Manuals, directives, handbooks, and other formal policy and procedural issuances prepared and published by CMS components. Included are Part A and Part B Intermediary Manuals, numbered intermediary letters, regulations, provider manuals, Administrative Issuance System, and similar material.

DISPOSITION:a) CMS Headquarters Offices Responsible for Instructions Coordination

PERMANENT. Close file when publication is superseded or discontinued. Hold 2 years and then transfer to the Federal Records Center (FRC). Transfer to the National Archives 10 years thereafter.

b) Other Offices

Destroy when superseded or discontinued.

2. Medicare Instructions Background Files (BHI.g:40-2, Item 1B)

Records accumulated in the preparation, clearance, and publication of manuals, directives, handbooks, and other formal policy and procedural issuances. Included are studies, clearance comments, recommendations, and similar records which provide a basis for publication or contribute to the content of the issuance.

DISPOSITION:a) CMS Headquarters Offices Responsible for Instructions Coordination

Transfer to the FRC when no longer needed for current operations. Destroy after a total retention of 10 years by the FRC.

b) Other Offices

Destroy 2 years after the close of the calendar year in which dated.

3. Medicare Program Files (BHI.g:40-2, Item 1C)

Documents relating to reviews and special studies of CMS Central Office, Regional Office and Medicare contractors to determine the degree of adherence to established policy, instructions, and specifications.

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DISPOSITION: Destroy after a total retention of 2 years after the close of the calendar year in which the study is completed.

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III. MEDICARE RECORDS--PROGRAM RELATED

A. Part A Medicare Claims Records (NC1-440-83-1)

Form CMS-1450 and other documents used to bill for services processed by intermediaries, i.e., inpatient hospital, outpatient hospital, skilled nursing facility, (SNF), hospice, home health, etc.

When fraud or over-utilization of services is involved, the hardcopy claim shall be retained until the resolution of the investigation plus 3 months or revert to normal disposition, whichever is longer.

DISPOSITION:

1. Intermediaries Who Microform Claims Records

a) Hardcopy Records - Cut off no later than the close of the calendar year (CY) in which paid. The hardcopy claim must be retained in accordance with the following:

(1) If a corresponding master microfilm record has been made and verified, transfer to the FRC or hold onsite. Destroy 3 years after the close of the CY in which paid.

(2) If a corresponding master microform record has NOT been made and verified, transfer to the FRC or hold onsite. Destroy 6 years and 3 months after the close of the CY in which paid.

b) Microform Records

The master microform record must be retained for 6 years and 3 months following the close of the calendar year in which paid.

2. Intermediaries Who Do Not Microfilm Claims Records

Cut off at the close of the calendar year in which paid, then transfer to FRC. Destroy after a total retention of 6 years and 3 months. Earlier cutoff and transfer is authorized. However, the records must be retained for a total retention of 6 years and 3 months following the close of the calendar year in which payment is made.

3. When Fraud or Over-Utilization has been Identified

When potential fraud or over-utilization has been identified, retain the hardcopy onsite, or if it has already been transferred to the FRC, retrieve the hardcopy and retain onsite until the investigation and subsequent legal action, if any, has been completed (including the exhaustion of all appeals), plus three months. If at the close of this period, either of the schedules shown above remains applicable, retain, transfer, and destroy in accordance with the applicable schedule. If at the close of this period, neither of the schedules shown above remains applicable,

destroy after the three month period following completion of the investigation or subsequent legal action, if any. If any records are provided to a prosecutorial

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agency as evidentiary matter, consider such records as disposed of. If any such records are returned by the prosecutorial agency, retain for three months, then destroy in accordance with the foregoing schedules unless otherwise directed by the prosecutorial agency.

B. Part B Medicare Claims Records (NC1-440-83-2)

All types of forms CMS-1490 and other documents used to support payments to beneficiaries, physicians, and other suppliers of service under the Supplementary Medical Insurance Program. Also included are itemized bills, correspondence, and comparable documents.

When fraud or over-utilization of services is involved, the hardcopy claim shall be retained until the resolution of the investigation plus 3 months or revert to normal disposition, whichever is longer.

DISPOSITION:

1. Carriers who Microform Claims

a) Hardcopy Records - Cut off no later than the close of the calendar year (CY) in which paid. The hardcopy claim must be retained in accordance with the following:

- (1) If a corresponding master microfilm has been made and verified, transfer to the FRC or hold onsite. Destroy after a total retention of 3 years after the close of the CY in which paid.
- (2) If a corresponding master microform record has NOT been made and verified, transfer to the FRC or hold onsite. Destroy after a total retention of 6 years and 3 months after the close of the CY in which paid.

b) Microform Records

The master microform record must be retained for a total retention of 6 years and 3 months following the close of the calendar year in which paid.

2. Carriers Who Do Not Microfilm Claims Records

Cut off at the close of the calendar year (CY) in which paid, then transfer to FRC. Destroy after a total retention of 6 years and 3 months. Earlier cutoff and transfer is authorized. However, the records must be retained for a total retention of 6 years and 3 months following the close of the calendar year in which payment is made.

- a) Hardcopy Records - The hardcopy must be retained onsite until the microform has been verified. Cut off at the close of the calendar year in which paid; transfer hardcopy to the FRC only if there is a corresponding master microfilm record that can be retained for the period indicated in b. below; otherwise, the hardcopy shall be retained until the 6 years and 3 months period is reached. Earlier cutoff and

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b) transfer is authorized. However, the hardcopy must be retained for a total retention of 3 years after the close of the calendar year in which paid.

b) Microform Records - The master microform records must be retained for a total retention of 6 years and 3 months following the close of the calendar year in which payment is made.

3. When Fraud or Over-Utilization has been Identified

When potential fraud or over-utilization has been identified, retain the hardcopy onsite, or if it has already been transferred to the FRC, retrieve the hardcopy and retain onsite until the investigation and subsequent legal action, if any, has been completed (including the exhaustion of all appeals), plus three months. If at the close of this period, either of the schedules shown above remains applicable, retain, transfer, and destroy in accordance with the applicable schedule. If at the close of this period, neither of the schedules shown above remains applicable, destroy after the three-month period following completion of the investigation or subsequent legal action, if any. If any records are provided to a prosecutorial agency as evidentiary matter, consider such records as disposed of. If any such records are returned by the prosecutorial agency, retain for three months, then destroy in accordance with the foregoing schedules unless otherwise directed by the prosecutorial agency.

C. Medicare Benefit Check Records (BHI-g:40-2, Item II.C)

1. Checks - Paid checks which intermediaries and carriers received from banks covering amounts paid to providers of service, beneficiaries, physicians, and other suppliers of service under the Hospital Insurance and Supplementary Medical Insurance programs. Also included are check vouchers and canceled or voided checks resulting for nonreceipt, loss, theft, or nondelivery.

Note: When fraud or over-utilization of services is involved, the hardcopy claim shall be retained until the resolution of the investigation plus 3 months or revert to normal disposition, whichever is longer.

DISPOSITION: Intermediaries and Carriers

Cut off at the close of the calendar year in which paid, or voided, as applicable, hold 1 additional year, and then transfer to the FRC. Destroy after a total retention of 6 years and 3 months.

2. Check Registers - (NC1-440-84-2)

Register(s) listing checks issued to providers of service, beneficiaries physicians and other suppliers of service under the Hospital Insurance and Supplementary Medical Insurance Programs.

DISPOSITION: Intermediaries and Carriers

Cut off at the close of the calendar year in which issued, hold 1 additional year and then transfer to the FRC. Destroy after a total retention of 6 years and 3 months.

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D. Explanation of Medicare Benefit (EOMB) Records (N1-440-79-1, Item 3)

Utilization and explanation of benefit notices used to advise beneficiaries of remaining Part A benefits, Part A and Part B deductible status, and about applying for complementary health benefits. These notices are prepared and sent to beneficiaries by Medicare intermediaries and carriers. Included are Forms CMS-1553, Medicare Hospital, Extended Care and Home Health Benefits record; RR-100, Part A Hospital Insurance Benefits Record; and forms that are developed locally by carriers regarding explanation of Medicare benefits.

DISPOSITION:**1. Intermediaries and Carriers Who Microform EOMB's**

Destroy hard copies after microform has been verified as correct. Cut off microform at the close of the calendar year in which the benefit was paid or denied, as applicable. Destroy microform after a total retention of 6 years and 3 months.

2. Intermediaries and Carriers Who Do Not Microform EOMB's

Cut off at the close of the calendar year in which benefit was paid or denied, as applicable, hold 1 additional year, and then transfer to the FRC. Destroy after a total retention of 6 years and 3 months.

E. Reconsideration and Hearing Case Files—Hospital Insurance Program (BHLg:40-2, Item E)

Reconsideration records accumulate when a beneficiary or his representative files either an expressed or implied request for reconsideration because of dissatisfaction with an initial determination as to the amount of benefits payable on the beneficiary's behalf under the Hospital Insurance Program. Hearing case records accumulate when a beneficiary or his representative is dissatisfied with the reconsideration determination and requests a hearing, and, in some cases, files for a subsequent court review. Included are Forms CMS-2649, Request for Hearing; CMS-5011 U6, Request for Reconsideration; or their equivalents. Also included are evidence furnished by beneficiaries or their representatives, correspondence, SSA determinations, Administrative Law Judge decisions, original bills, appeals Council decisions, and similar material.

DISPOSITION:**1. CMS Headquarters**

Place in inactive file upon final action on the case. Cut off inactive file at the close of the calendar year in which final action was taken, hold 2 additional years, and transfer to the FRC. Destroy after a total retention of 7 years.

2. Intermediaries

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Dispose of these records in accordance with instructions for Part A Medicare Claims Records (see item III.A. of this schedule).

F. Review and Fair Hearing Case Files-Supplementary Medical Insurance Program
(BHL.g:40-2, Item F)

Files accumulated when a beneficiary, physician, provider, or other supplier of service is dissatisfied with the carrier's determination to deny a request for payment, with the amount of the payment, or with the reasonable promptness of action on a request for payment. Included are copies of claimant's requests for review, relevant written statements or evidence, notices of adverse informal review decisions, requests for hearings to protest the adverse decisions, hearings proceedings, hearing officers final decisions, and other comparable papers.

DISPOSITION:

Carriers - Place in inactive file upon final action on the case. Cut off inactive file at the close of the calendar year in which final action was taken, hold 2 additional years, and transfer to the FRC. Destroy after a total retention of 7 years.

G. Program Integrity Case Files (Health Insurance) (BHL.g:40-2, Item G)

Files accumulated as a result of allegations or complaints of program abuse or potential fraud by physicians and other providers of services pursuant to sections 206, 208, 1106, and 1107 of the Social Security Act. They consist of complaints from beneficiaries or other sources that are referred to district offices, regional offices, intermediaries, carriers, etc. Included are correspondence, forms, and other papers used in developing and investigating complaints, such as exhibits, copies of claims forms, bills, medical records, investigative reports, fiscal records, and other pertinent physician and provider records.

DISPOSITION: CMS Headquarters and Regional Offices

Place in inactive file after final action on the case. Cut off inactive file at the close of the calendar year in which final action was taken, hold 2 additional years, and then transfer to the FRC. Destroy after a total retention of 5 years.

H. Intermediary and Carrier Administrative Budget Estimate and Cost Report Files
(BHL.g:40-2, Item H)

These files consist of all uses of the Administrative Cost and Budget Report, CMS-1523 for carriers and CMS-1524 for intermediaries. This form is a multi-use document and is used for budget and cost reporting activities.

Specific uses are:

1. Budget Request - The carrier/intermediary's initial request for funding for the fiscal year. Include all supporting schedules, correspondence and justifications.

DISPOSITION: Destroy after a total retention of 3 years after HPS audit and final settlement.

2. Supplemental Budget Request

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DISPOSITION: Destroy after a total retention of 3 years after HHS audit and final settlement.

3. Notice of Budget Approval - The carrier/intermediary's certified funding authority for the fiscal year. Include all supporting schedules, correspondence and justification.

DISPOSITION: Destroy after a total retention of 3 years after HHS audit and final settlement.

4. Interim Expenditure Report - Cumulative fiscal year to date expenditures incurred by the carrier/intermediary. Include all supporting schedules, correspondence and justifications.

DISPOSITION: Destroy after a total retention of 3 years after HHS audit and final settlement.

5. Final Administrative Cost Proposal - The final statement of expenditures for the fiscal year. This form is used as the basis for final settlement of allowable costs. Include all supporting schedules, correspondence, HHS or GAO audit reports on administrative costs and benefit payments.

DISPOSITION: Destroy after a total retention of 6 years and 3 months after HHS audit and final settlement.

I. Intermediary and Carrier Letter of Credit Files (NC1-440-84-1)

Records authorizing a Federal Reserve Bank to disburse funds to designated intermediaries' and carriers' banks on behalf of CMS upon presentation of a Request for Funds for collection through a Federal Reserve System. Included are SF-1193, Letter of Credit, or its equivalent, and amending letters.

DISPOSITION: Destroy after a total retention of 6 years and 3 months after the year in which canceled.

J. Intermediary and Carrier Payment Vouchers and Transmittal Files (NC1-440-84-1)

TFS-5805, Request for Funds, and similar documents prepared by the intermediaries' and carriers' servicing bank to obtain Federal funds for benefits paid in administering the Health Insurance and Supplementary Medical Insurance Programs. Also included is CMS-1521, Payment Voucher on Letter of Credit Transmittal, a transmittal that forwards information on Request for Funds to CMS and shows the purpose for which funds were drawn, i.e., hospital insurance benefits, supplementary medical insurance benefits and total amount of payment vouchers.

DISPOSITION: CMS Headquarters, Intermediaries, Carriers

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Destroy after a total retention of 6 years and 3 months or HHS audit and final settlement, whichever is later.

K. Intermediary and Carrier Monthly Financial Report Files (BHI.g:40-2, Item M)

Reports submitted monthly by the intermediaries and carriers to provide CMS with the basic data to reconcile its accounts with those maintained by intermediaries and carriers. Included is Form CMS-1522, Monthly Intermediary Financial Report, and attachments.

DISPOSITION: Destroy after HHS audit and final settlement.

L. Ambulance Services Certification (BHI.g:40-2, Item N)

Certifications of suppliers of ambulance services.

DISPOSITION: Carriers - Destroy after a total retention of 1 year after the close of the calendar year in which certification requirements are no longer met.

M. Requests for Assistance from District Offices (BHI.g:40-2, Item O)

Correspondence and forms submitted to district offices for development of additional information or documents relating to the Medicare claim, e.g., Form CMS-1490, Request for Medicare Payment; unreceipted bills, incorrect name or claim number; missing signature; and similar errors which prevent the processing of a claim.

DISPOSITION: Intermediaries and Carriers - Dispose of these records in accordance with instructions for Part A and Part B Medicare Claims Records (see items III.A. and III.B. of this schedule).

N. Intermediary Workload Report Files (BHI.g:40-2, Item P)

Monthly statistical reports on the status of intermediary workloads used by CMS to identify basic management data needed for budgeting, financing, work planning, and progress evaluation. Included is Form CMS-1566, Health Insurance for the Aged Program Intermediary Workload Report, or its equivalent.

DISPOSITION:

1. CMS Headquarters - Destroy after a total retention of 5 years.
2. Intermediaries and CMS Regional Offices - Destroy after a total retention of 3 years.

O. Carrier Performance Report Files (BHI.g:40-2, Item Q)

Form CMS-1565, Health Insurance for the Aged Program Carrier Performance Reports, or equivalent documents prepared monthly by carriers to summarize their performance in processing claims under the Supplementary Medical

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Insurance program. The information contained in these reports provides management information needed for budgeting, financing work planning, performance evaluation, and identifying operating problems.

DISPOSITION:

1. CMS Headquarters - Destroy after a total retention of 5 years.
2. Carrier and CMS Regional Offices - Destroy after a total retention of 3 years.

P. Beneficiary Overpayment Report (Previously Overpayment and Duplicate Charge Detection Activity Report) (BHI.g:40-2, Item R)

Quarterly reports prepared by each carrier and sent to CMS summarizing overpayment and duplicate charge detection activities carried out during each calendar quarter. The reports are used to tabulate data on the number of cases in which the carrier recovers an overpayment, the total dollar amount of money overpaid, causes of overpayment, number of duplicated charges detected, and similar information.

DISPOSITION:

1. CMS Headquarters - Carrier report information is maintained in CMS computer system for 5 years. Destroy after a total retention of 12 years.
2. Carriers and CMS Regional Offices - Destroy after a total retention of 3 years.

Q. Medicare Beneficiary Correspondence Files (NCI-440-85-2)

These files accumulate as a result of inquiries and complaints received by CMS headquarters, regional offices, and intermediaries and carriers, and DO NOT include any correspondence that is related to a claim file.

DISPOSITION: All Offices

1. Formal Response - Destroy after a total retention of 3 months after the date of the response to the correspondence.
2. Non-Responses to Inquiries - Destroy after a total retention of 3 months after the date of the correspondence. NOTE: Where correspondence is required to document a specific claim, reconsideration, appeal or similar case, destroy in accordance with the instructions for claims records. See Section III, Item A.)

R. Intermediary and Carrier Contract Files (BHI.g:40-2, Item T)

Agreements entered into with intermediaries and carriers by the Secretary of Health and Human Services under the provisions of sections 1816 and 1842 of the Social Security Act by which the intermediaries and carriers agree to perform certain functions in administering the Hospital Insurance and Supplementary Medical Insurance programs. As such, they provide basic documentation of the manner in which these programs are implemented. Included are modifications and amendments.

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DISPOSITION:

1. CMS Headquarters

PERMANENT. Place in inactive file at the close of the calendar year in which superseded or terminated, as applicable, hold 2 years and then transfer to the FRC. Transfer to the National Archives after a total retention of 12 years.

2. Intermediaries and Carriers

Destroy after a total retention of 3 years after supersession or termination, as applicable.

S. Intermediary and Carrier Subcontract Files (BHI.g:40-2, Item U)

Copies of intermediaries' agreements with subcontractors regarding performance of audits and the providers' costs, leases for building space, equipment, consulting, and other services. Included are CMS approvals, amendments, and similar papers.

DISPOSITION:

1. CMS Headquarters

Cut off file at the close of the calendar year in which agreement was terminated, hold 1 additional year, and transfer to the FRC. Destroy after a total retention of 6 years.

2. Intermediaries and Carriers

Destroy after a total retention of 5 years after termination of agreement.

T. Contractor Performance Review Visit Files (N1-440-95-1, Item 11)

Documents relating to scheduled or special visits to intermediaries and carriers to review their Medicare operations and to determine the degree of adherence to established policy, adequacy of service to the public, and to verify the accuracy of reporting. Included are reports of staff visits, follow-up reports, communications concerning improvements in operations, and other documents relating to contract performance review visits.

DISPOSITION:

1. CMS Headquarters and Regional Offices

Cut off at the close of the calendar year in which action on the review is completed, hold 7 years, and then transfer to the FRC. Destroy after a total retention of 12 years.

2. Other Offices

Destroy after a total retention of 4 years after the close of the CY in which action on the review is completed.

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